weekly economic review

August 10, 2012

Labour Force

Alberta resumes job creation in July, while Canada loses jobs

After losing jobs in June, Alberta's labour market bounced back in July, gaining 5,800 jobs. All the new jobs were full-time private sector positions, while construction and business, building & other support services led all industries in job growth. Alberta's year-over-year job growth of 2.2% was the highest among the provinces. The unemployment rate held steady at 4.6% for the second straight month as more people joined the labour force. Alberta continues to have the lowest unemployment rate among the provinces.

Nationally, employment was down 30,400 in July. Quebec (-28,700) and British Columbia (-14,500) recorded the largest losses, outpacing gains made in Ontario (10,600) and Alberta (5,800). The national unemployment rate edged up from 7.2% to 7.3% in July.

Exports

Alberta exports rise in June , but are down year-over-year

Alberta exports rose by 1.0% from May to $7.7 billion in June. However, on a year-over-year basis exports fell (-1.1%) for the first time since December 2009, mainly reflecting a 20.5% decrease in industrial goods and materials shipments. Exports of energy products, the largest category, were only 1.6% higher than June of the previous year. Alberta exports have grown 9.2% during the first half of the year compared with the same period in 2011.

Building Permits

Building Permits dip

The value of building permits, a volatile indicator of future construction activity, fell to its lowest level since February. After reaching a one year high in May, the value of building permits declined 23.9% to $1.0 billion in June. Total year-over-year growth of 4.4% was driven by a 10.0% increase in residential permits, as non-residential permits were down 2.9%.

Housing Market

Alberta housing starts retreat, but remain well ahead of last year's level

Alberta's new home construction fell to the lowest level in six months in July. Starts were 31,500 (seasonally adjusted at annual rate, SAAR) in July, 23.5% higher than July 2011. Alberta housing starts have recorded a 46.2% jump over the first seven months of 2011.

Nationally, starts were down in July at 208,500 SAAR, 2.2% lower on a year-over-year basis.

New House Price Index

Alberta new house prices remains steady

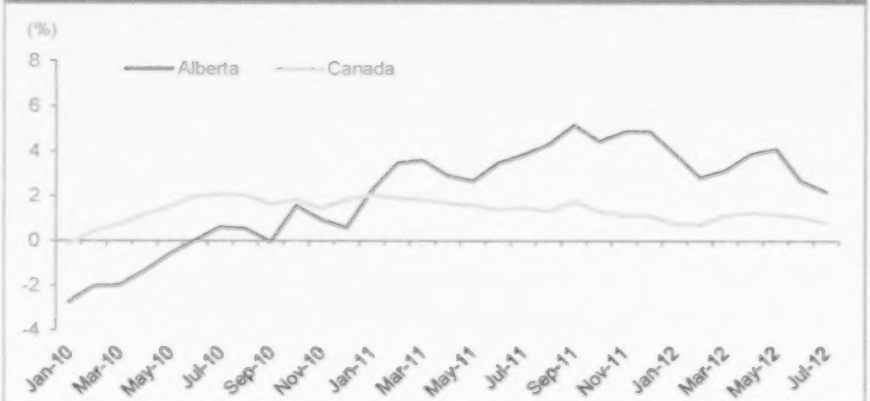
Alberta's new house price index continues to stay relatively flat, rising only 1.2% over June of last year. Since hitting bottom three years ago, Alberta new home prices have posted a modest 3.5% increase. At the city level, prices were up a mere 1.7% and 0.8% in Calgary and Edmonton respectively.

Canadian Trade Balance

Trade deficit widens in June

Canada's merchandise trade deficit widened to $1.8 billion in June, as imports (+2.3%) grew at a faster pace than exports (+0.2%). Imports of machinery and equipment rose by 3.2% in June to a record high of $11.2 billion, while exports of energy products fell 3.5% to $9.0 billion due to lower crude petroleum exports.

Alberta and Canada Employment Growth, year-over-year % change



Source: Statistics Canada

Closing Prices	August 2, 2012	August 9, 2012	2012–13 Fiscal YTD
Canadian Dollar (US$/C$CAN)	99.58	100.77	98.97
WTI Oil ($US/bbl)	$97.13	$93.36	$91.95
NYMEX Natural Gas ($US/MMBtu)	$2.92	$2.96	$2.53

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Feb	Mar	Apr	May	Jun	Jul
Population[2] (000s)	3,721	3,779	3,847			[illegible]			
% change	1.3	1.6	2.0			2.4			
Net Interprovincial Migrants[3] (net)	3,271	13,690	22,542			15,536			
Net International Migrants[3] (net)	21,793	14,009	17,506			9,601			
Net Non-permanent Residents[3] (net)	125	7,968	5,042			2,140			
Labour Market									
NEW: Employment (000s)	2,018	2,095	2,141	2,128	2,132	2,148	2,152	2,144	2,150
% change	0.4	3.8	3.2	2.8	3.1	3.9	4.1	3.7	[illegible]
NEW: Unemployment Rate (%)	6.5	5.5	4.8	5.2	5.1	4.9	4.9	4.6	4.6
NEW: Participation Rate (%)	72.8	73.7	72.7	73.2	73.0	73.0	72.7	72.3	73.2
Average Weekly Earnings[4] ($)	960.28	1,038.09	1,066.23	1,064.60	1,064.38	1,068.84	1067.06		
% change	4.6	4.6	2.4	2.4	3.1	2.2	1.4		
Price Indices									
Consumer Price Index	1.0	2.4	1.5	1.9	1.7	0.8	0.4	1.3	[illegible]
Excluding food and energy	0.7	0.8	1.5	1.8	1.6	2.1	1.5	1.6	[illegible]
Non-Res. Building Const. Price Index[5]	-0.1	3.4	4.5	[illegible]	4.6	[illegible]	[illegible]	[illegible]	[illegible]
Farm Product Price Index	1.5	17.2	4.1	1.2	1.0	[illegible]	[illegible]	[illegible]	[illegible]
Crops	-9.7	18.5	-3.0	3.9	4.4	[illegible]	[illegible]	[illegible]	[illegible]
Livestock	5.7	17.2	10.9	9.8	8.3	[illegible]	[illegible]	[illegible]	[illegible]
Household Sector									
NEW: Housing Starts (SAAR, 000s)	25.9	25.5	33.2	32.1	35.6	30.7	31.6	33.9	31.5
% change	34.8	-5.2	46.2	42.7	70.3	79.6	73.8	41.6	29.5
NEW: New Housing Price Index[4]	0.5	0.4	0.8	0.2	0.8	1.2	1.0	1.2	[illegible]
Edmonton	0.8	0.9	0.9	0.1	0.8	1.3	1.1	0.8	[illegible]
Calgary	1.8	0.1	0.8	0.4	0.8	0.9	0.8	1.7	[illegible]
MLS Average Resale Price ($ 000s)	350.9	352.7	358.5	360.5	359.6	362.1	364.5	359.9	[illegible]
% change	3.1	0.5	1.5	1.2	2.5	1.3	1.9	2.5	[illegible]
Edmonton ($ 000s)	326.5	324.2	332.4	334.5	331.3	337.3	333.2	332.3	[illegible]
% change	2.3	-0.7	3.2	4.4	2.8	3.3	4.0	1.6	[illegible]
Calgary ($ 000s)	397.4	401.9	404.7	410.5	407.6	408.0	413.3	410.7	[illegible]
% change	3.4	1.1	0.4	0.5	2.4	1.3	2.4	2.9	[illegible]
Retail Sales	6.0	6.9	9.4	9.4	10.0	7.9	8.9	[illegible]	[illegible]
New Motor Vehicle Sales	9.5	9.6	15.2	20.8	12.9	11.1	22.6	[illegible]	[illegible]
Consumer Bankruptcies (level)	8,150	7,029	2,656	930	968	829	816	[illegible]	[illegible]
% change	-18.4	-13.8	-15.7	-16.2	-16.5	-18.2	16.1	[illegible]	[illegible]
Business Sector									
Rigs Drilling (level)	307	285	250	450	334	141	88	190	108
% change	61.3	37.9	0.6	9.9	7.5	14.4	4.8	7.5	-17.5
NEW: Goods Exports (customs basis)	12.6	18.5	9.2	16.4	9.0	17.0	1.6	1.1	[illegible]
Energy	17.4	19.4	11.0	16.4	10.0	24.2	2.4	1.6	[illegible]
Agriculture	-14.3	21.4	16.4	18.5	26.3	16.3	10.2	0.3	[illegible]
Total Farm Cash Receipts (quarterly)	3.7	16.3	28.3	[illegible]	29.3	[illegible]	[illegible]	[illegible]	[illegible]
Manufacturing Shipments	11.3	18.0	11.1	15.7	12.2	7.1	6.3	[illegible]	[illegible]
Wholesale Trade	8.5	15.0	16.7	16.9	14.5	19.4	16.9	[illegible]	[illegible]
NEW: Building Permits	1.3	11.8	15.5	22.6	36.9	49.5	20.2	4.4	[illegible]
Residential	22.4	5.2	21.1	50.2	21.8	2.6	27	10.0	[illegible]
Non-residential	-16.3	20.9	9.0	52.9	64.6	156.5	13.2	-3.0	[illegible]
Business Bankruptcies (level)	378	264	112	45	19	30	28	[illegible]	[illegible]
% change	-6.7	-30.2	-4.3	-13.6	-26.9	17.6	27.3	[illegible]	[illegible]

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year-over-year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

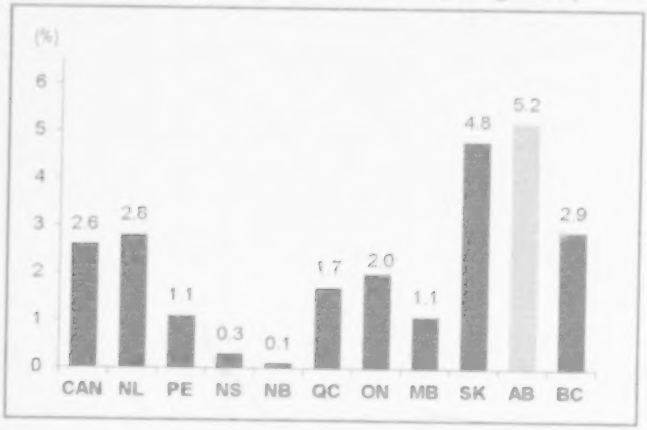
[3] Quarterly, average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

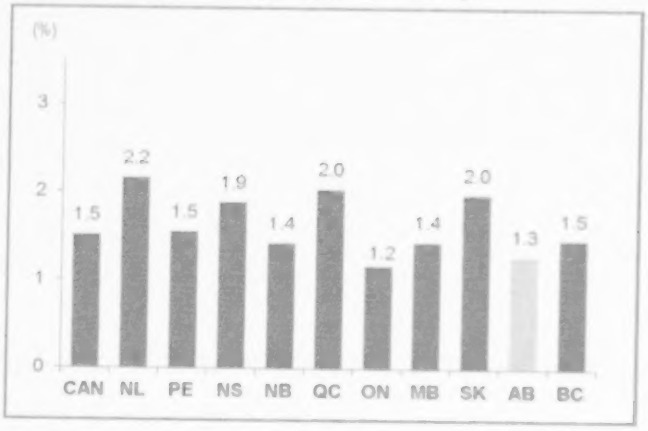
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

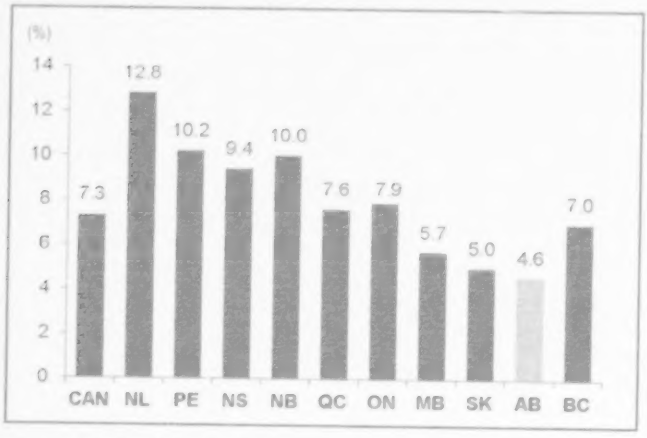
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



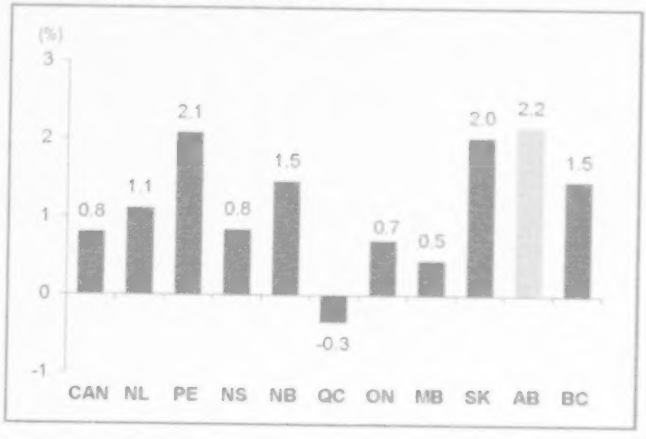
CPI Inflation
(June 2012, year-over-year growth in CPI)



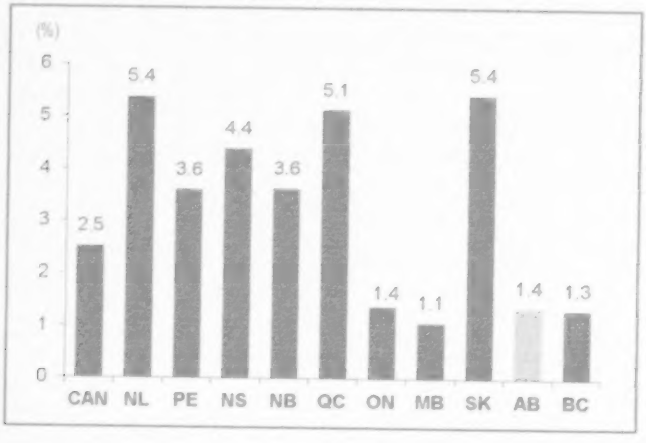
Unemployment Rate
(July 2012)



Employment
(July 2012, year-over-year growth)



Average Weekly Earnings
(May 2012, year-over-year growth)



Housing Starts
(July 2012, SAAR, year-over-year growth)